



**sycomore**  
am

# sycomore sélection crédit

NOVEMBER 2024

Share ID

Isin code | FR0011288505

NAV | 103.9€

Assets | 812.7 M€

## SFDR 8

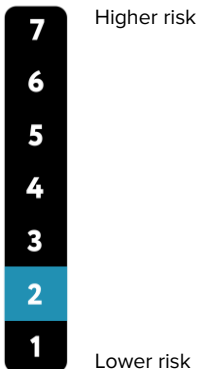
### Sustainable Investments

% AUM: ≥ 50%

% Companies\*: ≥ 50%

\*Excluding derivatives, cash & equivalent

### Risk indicator



The risk indicator assumes you keep the product for 5 years.

**Warning :** the actual risk can vary significantly if you cash in at an early stage and you may get back less.

The fund does not offer any guarantee of return or performance and presents a risk of capital loss

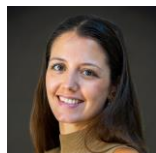
### Investment Team



**Stanislas de BAILLIENCOURT**  
Fund Manager



**Emmanuel de SINETY**  
Fund Manager



**Anaïs CASSAGNES**  
SRI analyst



France



Belgium



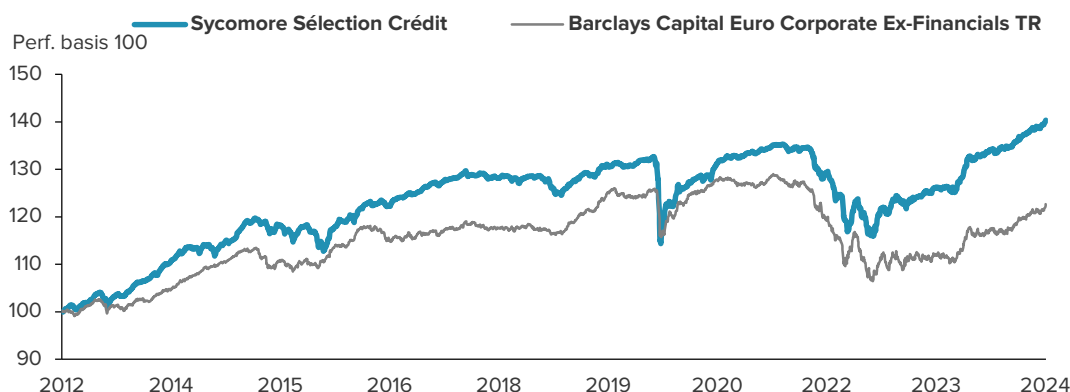
Austria

### Investment strategy

#### A responsible and opportunistic selection of European bonds based on proprietary ESG analysis

Sycomore Sélection Crédit aims to deliver financial returns above those of the Barclays Capital Euro Corporate ex-Financial Bonds (reinvested coupons) over a minimum investment horizon of five years, within a modified duration range of 0 to +5, by applying a socially responsible investment process. The fund also aims to outperform its benchmark on the Net Environmental Contribution (NEC) indicator and on the 3-year headcount variation indicator, to select durable companies, particularly on environmental and/or contribution to employment criteria.

### Performance as of 29.11.2024



Past performances do not guarantee future performances. (Source: Sycomore AM, Bloomberg)

	Nov 2024	2024	1 year	3 yrs	5 yrs	Inc. Annu.	2023	2022	2021	2020	
<b>Fund %</b>	1.3	5.8	8.5	4.9	7.0	40.4	2.9	10.0	-10.4	1.9	0.2
<b>Index %</b>	1.6	4.5	7.4	-3.1	-1.3	22.6	1.7	7.9	-13.9	-1.2	3.0

### Statistics

	Corr.	Beta	Alpha	Vol.	Bench. Vol	Track. Error	Sharpe Ratio	Info Ratio	Draw Down	Bench. DD
3 years	0.5	0.4	2.0%	3.4%	5.1%	4.3%	-0.2	0.6	-14.3%	-17.5%
<b>Inception</b>	0.5	0.5	2.1%	2.9%	3.3%	3.0%	0.9	0.4	-14.3%	-17.5%

### Fund commentary

Donald Trump's election caused the Euro to depreciate further against the dollar, a move further fuelled by expectations of aggressive rate cuts by the ECB in 2025. US long-term yields returned to levels observed at the end of October and Eurozone sovereign yields fell. The French risk premium rose, however, to account for growing political risks. Credit spreads widened slightly on the BBB segment but narrowed in HY. The primary market remained very dynamic as many issuers took advantage of attractive conditions to refinance their debt ahead of maturity. The cable company Prysmian issued a 7-year bond with a BBB- rating bearing a coupon close to 4%, the proceeds of which will fund a takeover in the United States. We took part in this issuance. Roquette, the French producer of plant-based ingredients, launched an inaugural bond issue linked to the takeover of the pharmaceutical business of its rival IFF. We subscribed to the hybrid tranche which offers an attractive issuance premium, with a coupon of 5.5% and a BB+ credit rating.



## Fund Information

### Inception date

01/09/2012

### ISIN codes

Share I - FR001288489

Share ID - FR001288505

Share R - FR001288513

### Bloomberg tickers

Share I - SYCSCRI FP

Share ID - SYCSCRD FP

Share R - SYCSCRR FP

### Benchmark

Barclays Capital Euro

Corporate Ex-Financials TR

### Legal form

Mutual fund

### Domiciliation

France

### PEA eligibility

No

### Investment period

5 yrs

### Minimum investment

None

### UCITS V

Yes

### Valuation

Daily

### Currency

EUR

### Cut-Off

12pm CET Paris (BPSS)

### Cash Settlement

D+3

### Management fees

Share I - 0.60%

Share ID - 0.60%

Share R - 1.20%

### Performance fees

10% > Benchmark

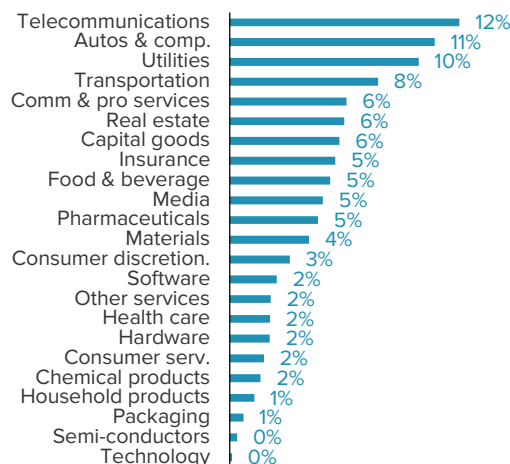
### Transaction fees

None

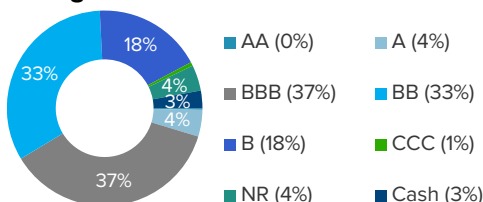
## Portfolio

Exposure rate	97%
Number of bonds	224
Number of issuers	150

## Sector breakdown



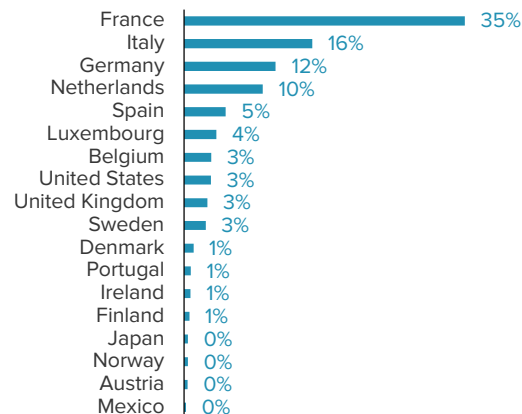
## Rating breakdown



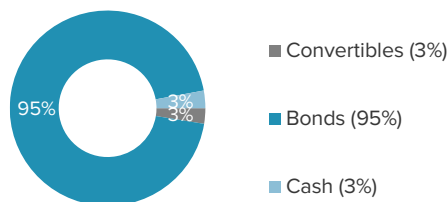
## Valuation

Modified Duration	3.5
Yield to maturity	4.5%
Yield to worst	4.1%
Average maturity	3.8years

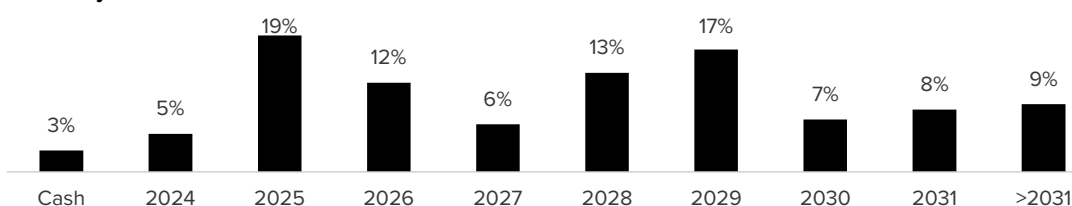
## Country breakdown



## Asset class breakdown



## Maturity breakdown



SPICE, for Society & Suppliers, People, Investors, Clients, Environment is our tool for assessing a company's performance on sustainability criteria. This tool incorporates the analysis of economic, governance, environmental, social, and societal risks and opportunities covering both the company's daily operations and its product and service offer.

The analysis process covers 90 criteria and leads to a rating per letter. These 5 ratings are weighted based on the company's most material impacts\*.

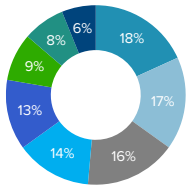
	Fund	Index
SPICE	3.4/5	3.4/5
S score	3.4/5	3.1/5
P score	3.4/5	3.5/5
I score	3.4/5	3.5/5
C score	3.5/5	3.2/5
E score	3.3/5	3.2/5

Main issuers	Weight	Sector	SPICE rating	Sustainable theme
Veolia	2.8%	Utilities	3.9/5	Sustainable mgmt of resources
Renault	2.7%	Autos & Comp.	3.5/5	Energy transition
Tdf	2.3%	Telecommunications	3.4/5	Access and Inclusion
Autostrade Per L Italia	2.3%	Transportation	3.3/5	Access and Inclusion
Loxam	2.1%	Comm & pro services	3.8/5	SPICE Leadership

The fund offers no guarantee of return or performance and presents a risk of capital loss. Past performance is not indicative of future performance. Before investing, first consult the FUND's KIID available on our [www.sycomore-am.com](http://www.sycomore-am.com) website. \*To learn more about SPICE, see our [ESG Integration and Shareholder Engagement Policy](#). (NEC = Net Environmental Contribution / CS = Societal Contribution / TGJR = The Good Job Rating)



## Sustainability thematicas



- Digital and communication
- Energy transition
- SPICE transformation
- Access and Inclusion
- Health & Safety
- SPICE Leadership
- Sustainable mgmt of resources
- Nutrition and well-being

## ESG criteria

ESG eligibility (% of eligible bonds) **45%**

## ESG scores

	Fund	Index
<b>ESG*</b>	<b>3.3/5</b>	<b>3.2/5</b>
Environment	3.3/5	3.2/5
Social	3.3/5	3.7/5
Governance	3.3/5	3.5/5

## ESG best scores

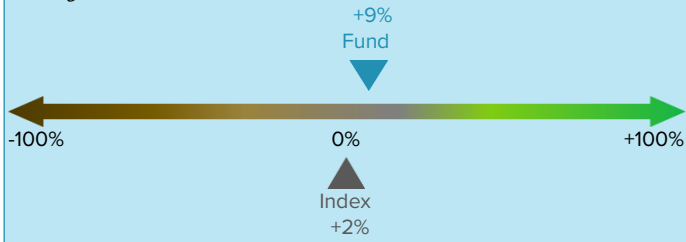
	ESG	E	S	G
Veolia	4.0/5	4.2/5	4.1/5	3.7/5
Veolia	4.0/5	4.2/5	4.1/5	3.7/5
Orsted	4.2/5	4.6/5	4.2/5	3.7/5
Erg	4.3/5	4.8/5	4.1/5	4.1/5
Neoen	4.0/5	4.5/5	3.7/5	3.9/5

## Environmental analysis

### Net Environmental Contribution (NEC)\*\*

Degree of alignment of economic activities with the ecological transition, integrating biodiversity, climate and resources, on a standard scale from -100% for total misalignment to +100% for complete alignment, where 0% corresponds to the world economy average. The results are calculated by Sycomore AM or by the [nec-initiative.org](https://nec-initiative.org) based on data for the years 2022 to 2024 according to NEC 1.0 or 1.1.

Coverage rate : fund 93% / index 81%



### European taxonomy

Share of EU taxonomy-eligible company revenues provided by MSCI.

Coverage rate : fund 66% / index 92%

Fund

32%

Index

36%

### Fossil fuel exposure

Share of revenues from activities linked to fossil fuels from upstream to energy production, supplied by S&P Global.

Fund

3%

Index

5%

■ Coal ■ Oil ■ Gas

### Carbon footprint

Annual greenhouse gas emissions (GHG Protocol) from upstream scopes 1, 2 and 3 per thousand euros invested, as modelled by MSCI.\*\*\*

Coverage rate : fund 49% / index 88%

kg. eq. CO<sub>2</sub> /year/k€

Fund

1006

Index

879

## Societal and social analysis

### Staff growth\*\*

Cumulated growth in company headcounts over the past three financial years (data unadjusted in the event of acquisitions, excluding transformational deals).

Coverage rate : fund 81% / index 91%

Fund

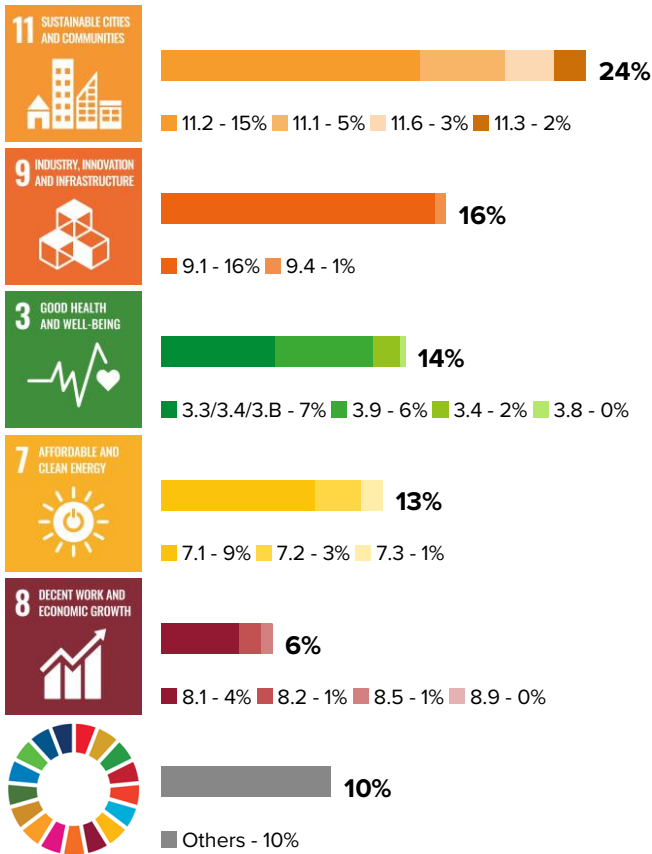
20%

Index

6%



## Sustainable development goals exposure



This chart represents the main exposures to the United Nations Sustainable Development Goals and their 169 targets. Exposure is defined as the opportunity, for each company, to contribute positively to reaching SDGs, providing their products and services. This exercise doesn't aim to measure the companies effective contribution to SDGs, which is computed through our societal contribution (CS) and net environmental contribution (NEC) metrics. For each invested company, activities are analysed in order to identify those which are exposed to SDGs. For a same activity, its number of targets can vary between 0 and 2. The company target exposure to one of its activities is weighted by the revenue share gained from this activity. For more details, our annual SRI report is available in our ESG documentation.

**No significant exposure : 26%**

## ESG follow-up, news and dialogue

### Dialogue and engagement

#### Criteria Caixa

We asked for more information on Criteria Caixa's investment policy, notably its environmental policy, and on the monitoring of employee satisfaction. We would welcome more transparency on these items. We also asked how ESG issues were monitored by the group's governance bodies and recommended offering board members training on these topics.

#### ESG controversies

##### Schaeffler

Schaeffler intends to re-localise some of its production and therefore close two sites - involving the loss of 4,700 jobs, in response to difficulties within the industry.

##### Renault

During our talks with management, we addressed the difficulty, for car manufacturers, to attain the CAFE standards in 2025 (emissions criteria for CO2/km/vehicle sold) in light of weak sales within the EV segment. To avoid being fined, car manufacturers may have to lower the price of EVs and/or cut their production of combustion-engine cars, and/or purchase carbon credits from US or Chinese car industry players.

##### ERG

We had a reassuring discussion with ERG following the reveal of an Italian Authorities' investigation on several Italian companies for espionage. ERG confirmed it is not under investigation. Its name was in the press because they have worked with Equalize (under investigation) in 2023 to help conduct an internal investigation. Equalize had to sign all ERG's relevant documents such as their code of ethics and data privacy policy and ERG was not aware of their potential wrongdoings at the time.

Additional disclaimers: although the fund's performances are partly driven by the ESG indicators of portfolio holdings, these are not the sole determining factor. Marketing communication. This information has not been prepared in accordance with legal requirements designed to promote the independence of investment research. Sycomore AM is not banned from trading on these securities prior to the dissemination of this information. Before investing, please read the fund's KID available on our website: [www.sycomore-am.com](http://www.sycomore-am.com).